

ROBERT KANE (CSB No. 71407)
LAW OFFICES OF ROBERT KANE
870 Market Street
San Francisco California. 94102
Tel: 415 982-1510

RKANE1089@AOL.COM

PAUL B COHEN (CSB No. 148371
BROOKE THATCHER (CSB No 148371)
LEGAL AID OF MARIN
30 NORTH SAN PEDRO ROAD
SAN RAFAEL, CALIFORNIA
Tel: (415) 982-0230
Fax (415)492-0947
BTHACHER@LEGALAIDOFMARIN.ORG

Fax: 415 982-5821
SHIRLEY HOCHHAUSEN (CSB No. 145619)
COMMUNITY LEGAL SERVICES IN EAST PALO ALTO
2117-B University Avenue
East Palo Alto, CA 94303
Telephone: (650) 326-6440
Facsimile: (650) 326-9722
s_hochhausen@hotmail.com

Attorneys for Plaintiff Audrey Nevis

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
NORTHERN DIVISION

AUDREY MCNAMARA NEVIS

Plaintiff,

v.

WELLS FARGO BANK, EXECUTIVE
FINANCIAL LENDING, INC., JOHN B.
SPEAR, SHAI MOSHE, GATEWAY
TITLE COMPANY, QUALITY LOAN
SERVICES.CORP., DOES 1-100,
inclusive,

Defendants.

ORIGINAL
FILED

MAY 15 2007

RICHARD W. WIEKING
CLERK, U.S. DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

E-filing

EMC

CASE NO.

C 07 2568

DECLARATION OF SHIRLEY
HOCHHAUSEN IN SUPPORT OF
PLAINTIFF'S *EX PARTE* MOTION FOR
TEMPORARY RESTRAINING ORDER AND
ORDER TO SHOW CAUSE REGARDING
PRELIMINARY INJUNCTION

I, Shirley Hochhausen, declare as follows:

1 1. I am an attorney at law, duly admitted to practice before this Court, and
2 work at Community legal Services in East Palo Alto, I am one of the attorneys of
3 record for plaintiff Audrey McNamara Nevis ("Ms. Nevis"). I make this declaration of
4 my own personal knowledge, and if called upon to do so, could and would
5 competently testify thereto.

6 2. In the first week of May, 2007 I learned that Quality Loan Services
7 Corp. sent Ms. Nevis a notice of foreclosure sale. Ms. Nevis received the notice on
8 May 3, 2007 as referenced in paragraph 18 of Ms. Nevis declaration. The notice stated
9 that a foreclosure sale of the Nevis home at 16 Creekside Drive, San Rafael,
10 California, was scheduled for May 21, 2007 at 3 p.m.

11 3. On May 7, 2007, I telephoned Quality Loan Service Corp ("Quality") the
12 foreclosure agent whose name appeared on the notice as the entity designated to
13 conduct the foreclosure. I telephoned the numbers on the notice of foreclosure and
14 was unable to get a response at any of the numbers. I left a message for Lee Paschen
15 the only person whose name appeared on the foreclosure notice.

16 4. On May 7, 2007, I wrote to Tom Lippold, Quality's President indicating
17 that the loan was obtained through fraud, violated the Truth in Lending Act ("TILA")
18 and the Real Estate Settlement Procedures Act and advising him that Ms. Nevis was
19 exercising her option under the TILA to rescind the subject loan and thereby cancel the
20 security interest held by the owner of the loan. Attached hereto as Exhibit D is a true
21 and correct copy of the letter sent to Tom Lippold, Quality's President.

22 5. On May 9, 2007, I received a telephone call from Nicole Fuentes at Quality
23 advising that they had received my letter and needed the supporting documents,
24 referred to in the letter. Ms Fuentes advised that she would send my letter and
25 supporting documents to New Century, their client and that someone would be in
26 touch with me. Since that time I have had no further communication from Quality.

Attached hereto as Exhibit E is a true and correct copy of the letters and supporting documents I sent to Tom Lippold, Quality's President on May 10, 2007.

6. On May 11, 2007 having received no response, I telephoned Ms. Fuentes of Quality and left word for her to call me regarding our conversation of May 9, 2007 and the foreclosure.

7. On May 14, 2007, I received a call from Ms. Fuentes advising me that she had sent the letter of rescission and supporting documents to Quality's counsel, Dan Goulding.

8. On May 14, 2007 at 12:30 p.m. I telephoned Mr. Goulding and left a voice mail for him. I again telephoned Mr. Goulding at 4:55 p.m. and left a message notifying him that Ms. Nevis would seek a Temporary Restraining Order in the United States District Court, Northern District on May 15, or 16, 2007 to stop the foreclosure sale of her home at 16 Creekside Drive, San Rafael, California.

9. On May 14, 2007 I telephoned Wells Fargo Bank at 4:45 p.m. and left a message for Mr. Patrick, Foreclosure Manager, to advise him that Ms. Nevis would seek a Temporary Restraining Order in the United States District Court, Northern District on May 15 or 16, 2007 to stop the foreclosure sale of her home at Creekside Drive, San Rafael, California.

10. On May 14, 2007 at 4:55 p.m. I telephoned Executive Financial Lending Inc. ("Executive") and left a message for Executive, John Spear and Shai Moshe advising them that Ms. Nevis would seek a Temporary Restraining Order in the United States District Court, Northern District on May 15 or 16, 2007 to stop the foreclosure sale of her home at 16 Creekside Drive San Rafael, California.

11. On May 14, 2007 I sent by United States mail, copies of the same letter I sent to Quality, rescinding the Nevis loan for 16 Creekside Drive, San Rafael, California (attached as Ex. E) to all defendants in this matter, as well as to the original lender, New Century.

COMMUNITY LEGAL SERVICES IN EAST PALO ALTO
1117 University Avenue
East Palo Alto, California 94303

May 7, 2007

By Telefax to 1-619-645-7716 and U.S. Mail:

Tom Lippold, President
Quality Loan Services Corp
319 Elm Street
San Diego, California 92101

Re: TS# CA-07-73247-DD
Loan # 1008151947
Property of Audrey McNamara Nevis:
Located at 16 Creekside Drive
San Rafael, Ca. 94903

Dear Mr. Lippold:

I am writing to you regarding the above captioned foreclosure presently scheduled for May 21, 2007 because I have been unsuccessful in reaching anyone at your offices to assist me in this urgent matter.

Our office represents Audrey Nevis who is the owner of the above captioned property in foreclosure.

The underlying loan was originally made by New Century Mortgage and then sold to Wells Fargo. The loan is the subject of an ongoing fraud investigation by the Office of the District Attorney, Marin County and contains many of the irregularities that are detailed as egregious behavior on the part of New Century in the FDIC Order relating to the operations of New Century in that the true costs and fees relating to the loan were concealed from Ms. Nevis, her loan application was falsified, she was given a high cost loan that the lender and broker knew or should have known could not be repaid on the \$1,400 in Social Security on which Ms. Nevis subsists and she did not receive adequate and timely disclosure (including three day notices of her right to rescind the loan), as required by the Truth in lending Act. A copy of the FDIC order is attached for your reference.

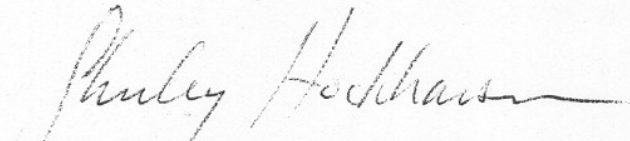
Please find that I have also enclosed a second letter formally rescinding the above captioned loan. As you know, rescission claims and defenses that arise under -TILA, against the original lender may be asserted against a subsequent purchaser or assignee of

EXHIBIT D

the loan. The effect of rescission is to cancel and void the security interest. The consumer is not liable for any amount, and the creditor must return any money or property given to anyone in connection with the transaction and take any action necessary to effect termination of the security interest within 20 days after receipt of the notice of rescission. Further, as the rescission of the loan cancels the lender's (or his successors) security interest in the loan, it is my view that no foreclosure can proceed. I have enclosed a copy of the Court's opinion in the consolidated Ameriquest cases which reiterates that "rescission derails foreclosure".

I think it would be productive for us to discuss this matter and welcome the opportunity to talk with you or a member of your staff. I can be reached at 415 982-1510 or by cell at 510 776-9223.

Very Truly Yours,



Shirley Hochhausen
Managing Attorney, Predatory Lending Project.

cc: Wells Fargo Bank